

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

UNITED STATES OF AMERICA,
ex rel. RICHARD CHESBROUGH, M.D.,
and KIM CHESBROUGH,

Plaintiffs,

CIVIL NO. 06-15638

vs.

HONORABLE JOHN CORBETT O'MEARA
MAG. JUDGE VIRGINIA M. MORGAN

UNIVERSAL IMAGING, INC., a Michigan
Corporation, PHILLIP J. YOUNG, MARK
LAUHOFF, Jointly and Severally,

Defendants.

**UNITED STATES' UNOPPOSED REQUEST FOR ADDITIONAL 21-DAY PERIOD TO
FILE COMPLAINT OF THE UNITED STATES**

The United States of America, by and through the undersigned counsel, respectfully moves for an additional 21-day period, to and including requests pursuant to 31 U.S.C. § 3730(b)(2), of its intent to intervene in this matter and respectfully moves for a 60-day period, to and including February 22, 2011, to file the complaint of the United States in the above matter. This Motion is supported by the attached Memorandum.

Respectfully submitted,

BARBARA L. McQUADE
United States Attorney

By: s/Joan E. Hartman
JOAN E. HARTMAN
Assistant U.S. Attorney
211 W. Fort Street, Suite 2001
Detroit, MI 48226
(313) 226-9190

Dated: February 1, 2011

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UNITED STATES OF AMERICA,
ex rel. RICHARD CHESBROUGH, M.D.,
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Plaintiffs,

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Corporation, PHILLIP J. YOUNG, MARK
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Defendants.

**MEMORANDUM IN SUPPORT OF UNITED STATES' UNOPPOSED MOTION FOR
ADDITIONAL 21-DAY PERIOD TO FILE COMPLAINT OF THE UNITED STATES**

This is an action under the *qui tam* provisions of the False Claims Act, 31 U.S.C. §§ 3729-3733. The Act permits a private party “relator” to bring suit on behalf of the United States to recover damages and civil penalties accruing to the United States that arise out of the defendant’s submission, *inter alia*, of false claims. The action is filed under seal for “at least” 60 days and not served on the defendant until the court so orders. 31 U.S.C. § 3730(b)(2). The government investigates the case and makes a determination either that it will elect to intervene in the action and prosecute it. *Id.* The investigation period may be extended for “good cause” that may be supported by affidavits or other submissions *in camera*. 31 U.S.C. § 3730(b)(3).

On December 1, 2010, the United States notified the Court that it had received authority to, and intended to, intervene in this matter. The United States sought, and the Court granted, an

additional 60-day period before it would file the Complaint of the United States. We sought this additional period in order to formally notify referring physicians to defendant Universal Imaging, Inc., that the government had received authority to include them in this action. We sought to give these physicians an opportunity to resolve this matter prior to litigation, should they desire to do so.

Thereafter the United States notified 21 physicians at 16 medical practices that it intended to include them as defendants in the lawsuit and sought an opportunity to discuss the matter. Seventeen of these physicians responded and the United States now has agreements in principle with 15 of these, and the 16th has sought an opportunity to demonstrate lack of ability to pay and a 17th has sought a meeting to discuss a possible resolution this week. The United States does not desire to name as a defendant in this case any physician who wishes to resolve this matter prior to litigation, and therefore seeks to this additional period to finalize all of the pending agreements. The United States will then proceed with a complaint as to all remaining entities and individuals.

Although concurrence from the private relator in this matter is not required, counsel for the relators, Patricia Stamler, has no objection to this request.

A proposed order is attached granting a 21-day period to file the Complaint of the United States to and including February 22, 2011.

Respectfully submitted,

BARBARA L. McQUADE
United States Attorney

By: s/Joan E. Hartman
JOAN E. HARTMAN
Assistant U.S. Attorney
211 W. Fort Street, Suite 2001
Detroit, MI 48226
(313) 226-9190

Dated: February 1, 2011

CERTIFICATE OF SERVICE

I hereby certify that on this 1st day of February, 2011, I caused a copy of the foregoing **UNITED STATES' REQUEST FOR AN ADDITIONAL 21-DAY PERIOD TO FILE COMPLAINT OF THE UNITED STATES and MEMORANDUM IN SUPPORT** to be served upon the following party to this matter:

Patricia Stamler
Hertz Schram P.C.
1760 South Telegraph Road Suite 300
Bloomfield Hills, MI 48302-0183

s/Joan E. Hartman